

## Message Text

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ACTION XMB-04

INFO OCT-01 ARA-10 ISO-00 EA-09 EUR-12 AID-05 CIAE-00

COME-00 EB-07 FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00

OPIC-06 SP-02 CIEP-02 LAB-04 SIL-01 OMB-01 FCC-02

OTPE-00 /089 W

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P 231350Z DEC 75

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC PRIORITY 3845

UNCLAS BUENOS AIRES 8323

PASS EXIMBANK

E.O. 11652: N/A

TAGS: EFIN, BEXP, AR

SUBJ: BID CONTEST FOR TELEVISION TRANSMISSION SYSTEM  
IN ARGENTINA

1. EMBASSY HAS BEEN INFORMED BY THE GENERAL MANAGER OF GTE INTERNATIONAL IN ARGENTINA THAT EUROPEAN AND JAPANESE SUPPLIERS ARE INTENDING TO QUOTE A SERIES OF TENDER BY ENTEL (THE ARGENTINE NATIONAL TELECOMMUNICATIONS COMPANY) FOR A COLOR TV TRANSMISSION SYSTEM WITH SUPPLIER FINANCING. ENTEL WILL BE HOLDING AT LEAST FIVE BID CONTEST DURING THE FIRST QUARTER OF 1976 FOR EQUIPMENT RELATED TO THE CONSTRUCTION OF THE COLOR TV TRANSMISSION SYSTEM FOR THE 1978 SOCCER CHAMPIONSHIP TO BE HELD IN ARGENTINA.

2. ACCRODING TO GTE, THEY HAVE MADE STRENUOUS ATTEMPTS AT OBTAINING FINANCING IN THE UNITED STATES WIHOUT SUCCESS. THEREFORE, IN FOUR OUT OF THE FIVE CONTESTS, THEY HAVE ALREADY DECIDED TO QUOTE EQUIPMENT FROM THEIR ITALIAN SUBSIDIARY, AND ARE CONFIDENT OF BEING ABLE TO OBTAIN FINANCING FOR THESE QUOTATIONS. GTE IS STILL HOPEFUL  
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THAT IT WILL BE ABLE TO QUOTE U.S. ORIGIN EQUIPMENT IN

THE FIFTH BID CONTEST, TO BE HELD AT THE END OF FEBRUARY INVOLVING SEVEN LONG DISTANCE TANDEMS. THE VALUE OF THIS EQUIPMENT IS ESTIMATED AT APPROXIMATELY US\$ 40 MILLION. GTE BELIEVES THAT THEY WOULD BE IN A PARTICULARLY FAVORABLE POSITION TO WIN THIS BID CONTEST BECAUSE OF U.S. PRICE COMPETITIVENESS FOR THIS TYPE OF EQUIPMENT.

3. WE ARE TOLD THAT THE FOLLOWING EUROPEAN AND JAPANESE COMMUNICATIONS FIRMS WILL BE QUOTING ONE OR MORE OF THESE TENDERS: GTE ITALY; SIEMENS; PHILIPS; CSF TOMPSON, TELETRA; NEC; THOSHIBA; HITACHI; BUDAVOX; MARCONI (ITALY). GTE POINTS OUT THAT THE FAILURE OF U.S. FIRMS TO PARTICIPATE IN THE CONSTRUCTION OF THIS TRANSMISSION SYSTEM WILL RESULT IN AMERICAN MANUFACTURERS BEING FROZEN OUT OF THE ARGENTINE MARKET FOR TYPE OF EQUIPMENT FOR THE NEXT 10 YEARS.

4. COMMENT: AS THE VALUE OF THE EQUIPMENT IN EACH OF THESE BID CONTESTS IS ABOVE US\$5 MILLION, WE ASSUME THAT FINANCING TERMS WOULD BE SUBJECT TO NEGOTIATIONS WITH THE CENTRAL BANK WHICH WOULD PROBABLY BE PREDISPOSED TO MAKE EXCEPTIONS TO CIRCULAR 524 REQUIREMENTS BECAUSE OF THE IMPORTANCE OF THIS PROJECT TO ARGENTINA. ARGENTINA IS COMMITTED BY CONTRACT WITH THE WORLD SOCCER FEDERATION TO BROADCAST THE GAMES OVERSEAS REPEAT OVERSEAS IN COLOR. THE GOA WOULD SUFFER A SERIOUS LOSS OF FACE INTERNATIONALLY IF THEY LOST THE CHANCE TO HOST THE GAMES BECAUSE THEY WERE NOT ABLE TO FULFILL TERMS OF CONTRACT. ADDITIONALLY, BECAUSE OF THE POPULARITY OF SOCCER IN ARGENTINA, THEIR LOSS OF THE GAMES TO ANOTHER COUNTRY WOULD UNDOUBTEDLY CREATE A DOMESTIC POLITICAL PROBLEM FOR THEM. WE UNDERSTAND THAT CONSTRUCTION OF THE TRANSMISSION NETWORK MUST GET UNDERWAY ASAP IF IT IS TO BE COMPLETED IN TIME. END COMMENT.

5. EMBASSY RECOMMENDS THAT IF INFORMATION PROVIDED BY GTE IS CORRECT, EXIM CONSIDER PROVIDING GTE WITH NECESSARY FINANCING TO ENABLE THEM TO COMPETE FOR THE TANDEM CONTRACT. GTE U.S. MUST BEGIN WORK IMMEDIATELY ON  
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PREPARATION OF OFFER IF THEY ARE TO MEET BID DEADLINE.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TELEVISION EQUIPMENT, PROPOSALS (BID)  
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**Copy:** SINGLE  
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**Decaption Date:** 01 JAN 1960  
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**Subject:** BID CONTEST FOR TELEVISION TRANSMISSION SYSTEM IN ARGENTINA  
**TAGS:** EFIN, BEXP, AR, US  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006